

# NORTHAMPTON BOROUGH COUNCIL

## AUDIT COMMITTEE

Monday, 23 September 2013

**PRESENT:** Councillor Hibbert (Deputy Chair); Councillors Golby and Nunn

### 1. **APOLGIES**

Apologies were received from Councillors Larratt and Conroy

### 2. **MINUTES**

The Minutes of the meeting held on 29<sup>th</sup> July 2013 were confirmed and signed by the Chair as a true record.

### 3. **DEPUTATIONS / PUBLIC ADDRESSES**

There were none.

### 4. **DECLARATIONS OF INTEREST**

There were none.

### 5. **MATTERS OF URGENCY WHICH BY REASON OF SPECIAL CIRCUMSTANCES THE CHAIR IS OF THE OPINION SHOULD BE CONSIDERED**

There were none.

### 6. **EXTERNAL AUDIT PROGRESS UPDATE**

Neil Bellamy KPMG submitted a report, which provided an update on the progress of the external audit of the Council's Statement of Accounts. It was noted that there had been no issues raised by member of the public during the period of inspection and the external audit of the Council did not identify any material adjustments. It was reported that the 'Value for Money' (VFM) conclusion of the External Auditor was that the Authority had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources. It was noted that there were a small number of presentational adjustments needed but that they were being addressed. Two issues that were raised in 2011/12 audit were no longer an issue and that the VFM criterion had been met.

The Chair commented that there had been extra pressures due to changes relating to LGSS and thanked both the staff for their work and KPMG for the presented report.

### **RESOLVED:**

That the Audit Committee accepted the Annual Governance Report (ISA 260) (Appendix 1 of the report) of the External Auditor, KPMG, and noted the adjustments to the accounts detailed therein.

### 7. **STATEMENT OF ACCOUNTS 2012-13**

The Head of Finance submitted a report which presented the audited Statement of Accounts 2012/13. It was noted that the draft Statement of Accounts had been made available for audit and had been audited by the Council's external auditors (KMPG) and had subsequently produced the Annual Governance Report. It was noted that following the audit, it was standard practice for the auditors to request a letter of representation.

## **RESOLVED:**

1. That Audit Committee approved the Statement of Accounts (Appendix 1 of the report), subject to any changes arising from the consideration of the report of the external auditor.
2. That Audit Committee approved the Council's Letter of Representation (Appendix 2 of the report).

### **7.1 ANNUAL GOVERNANCE STATEMENT 2012-13**

The Head of Finance submitted a report to present the Annual Governance Statement 2012/13 for approval. It was noted that the statement must accompany the statement of accounts, but that it was not needed to be included in it

## **RESOLVED:**

That the Annual Governance Statement 2012/13 for publication alongside the Statement of Accounts be approved.

### **8. PERFORMANCE REPORT TO END OF JULY 2013**

The Borough Secretary submitted a report and explained that the figures related to the period of time up to the end of July as a result of a delay in reporting cycles. It was explained that measure BV008 (Percentage of invoices for commercial goods and services paid within 30 days) had been highlighted as a concern, but it was noted that a total of 14 invoices had been paid late, which had impacted on the overall results. It was explained that this was being resolved as there had been inadequate cover in place to which had been rectified.

## **RESOLVED:**

That Audit Committee noted the contents of the report.

### **9. FINANCIAL MONITORING TO THE END OF JULY 2013-14**

The Head of Finance submitted a report and explained that the report was for Period 4 – which have the financial position to the end of July 2013 for the General Fund Revenue Monitoring, General Fund (GF) Capital Monitoring, HRA Revenue Monitoring and HRA Capital Monitoring. The report highlighted significant variances to date and it was noted that the GF forecast position was reporting an adverse variance of £63k, which was after a forecast contribution from reserves to offset a controllable budget variation of £246k and a Debt Financing variation of £223k.

It was noted that the HRA had reported an adverse variance of £466K, which was mainly due to the 'Supporting People' funding which was being withdrawn from the end of September. The HRA Capital Programme was reported as being on target.

## **RESOLVED:**

1. That the contents of the following finance reports be considered:
  - General Fund Revenue Monitoring (Appendix 1);
  - General Fund Capital Monitoring (Appendix 2);

- HRA Revenue Monitoring (Appendix 3);
  - HRA Capital Monitoring (Appendix 4).
2. That the position on car parking income and usage as at 31 July (Appendix 5 of the report) be noted
  3. That latest position in relation to the Council's outstanding debts as at 31 August (Appendix 6 of the report) be noted.
  4. That the Committee considers that it does not require any additional information in order to fulfil its governance role.
  5. That the financial position to 31 July reflects the post transfer of support service functions to LGSS be noted

## **10. INTERNAL AUDIT PROGRESS UPDATE REPORT**

The internal auditor updated the Committee and stated that he had been on-going discussions following LGSS with the Head of Finance and the Borough Secretary and commented that there was a need to ensure that fundamental controls were put in place to allow the work plan at LGSS was working well.

It was reported that three final reports had been issued which related to Asset Management, Treasury Management and Debt Recovery. He commented that in relation to Debt Recovery, the Council had improved massively. It was further noted that work due to start would be in the area of Housing and a Review of the concert held at Delapre Park and commented that he expected to bring formal written reports to the next meeting.

The meeting concluded at 6.43pm